



Your Plan for Real Estate Wealth



- Why Real Estate
- Residential Rentals
- Expand Your Horizons

Gary Eldred





Gary Eldred

Gary Eldred began acquiring investment real estate while still an undergraduate college student. Today he is an acclaimed expert in real estate who has been actively involved in countless successful ventures as a buyer, seller or investment consultant. He is the best-selling author of *The Beginner's Guide to Real Estate Investing* and many other books on real estate.

He has taught graduate courses on real estate at some of America's top business schools, including those at the University of Illinois, the University of Virginia and Stanford. As a member of Trump University's faculty, he is the presenter of major real estate courses on subjects that include finding profitable income properties, property evaluation, and increasing property values.

Introduction

In real estate, as with all investment categories, the low-hanging fruit has disappeared. Today's investors face more challenging times than any since the 1930s. Buying property today requires more education and market knowledge than was necessary in the great bull market that ran through the first half of the decade.

For the most part, people who suffer losses in real estate do so for one reason: they begin buying properties before they have learned the principles of investment analysis and personal financial management. You can avoid such mistakes. This program from Trump University's principal real estate educator will help get you started in building a sound knowledge of real estate investment.

To follow up with Gary Eldred, visit GaryEldred.com/trumpu

Additional Trump University resources available at TrumpUniversity.com/wealthplan

© Copyright 2007 Trump University. All rights reserved. Reproduction of this product in any form is prohibited.
Designed and produced by Brandwith in for Trump University.

The Wealth Builder's Action Plan is designed to provide accurate and authoritative information in regard the subject matter covered. This product is sold with the understanding that the presenters, the producer and Trump University are not engaged in rendering legal, financial or other professional advice or services. Laws and practices often vary from state to state and if legal, accounting or other expert assistance is required you should seek the services of a competent professional. The presenters, producer and publisher specifically disclaim any liability that is incurred from the use or application of the contents of this product.

My Goal Commitments for This Program

The outcomes I seek from **Your Plan for Real Estate Wealth** include:

I intend to achieve these outcomes by:

I commit to spending at least _____ hours per week for _____ weeks to master this program.

Signed:

_____/_____/_____

Action Step 1

Get Motivated by Opportunities in Real Estate

Purpose	Become inspired with the success of others.
Success Tip	This was the book that got Gary Eldred started in real estate investing.
Action	Read William Nickerson's book, <i>How I Turned a Thousand Dollars Into a Million in My Spare Time</i> . Afterwards, write about what you learned as it might apply to your own life.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 2

Assess the Possibilities of Real Estate Investment

Purpose	Talk to the experts. Find out what they say.
Success Tip	Every area has a real estate investors association with meetings attended by investors from the community.
Action	Make a list of questions you'd like answered about the possibility of building wealth through investing in real estate in a particular town or area. Then call brokers, mortgage loan officers, real estate investors, real estate agents, and government-planning people to get their opinions and insights. Write about what you learned from the experience.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 3

Read *The Wall Street Journal*

Purpose	Expand your knowledge of the real estate market as compared with other areas of investment.
Success Tip	Your library has this paper. Familiarize yourself with the "Money" section.
Action	<ol style="list-style-type: none">1. Find a copy of <i>The Wall Street Journal</i> and spend at least an hour with it. Write about what you learned.2. Commit to reading <i>The Wall Street Journal</i> on a regular basis – weekly, bi-weekly or monthly. Which will it be for you? Put your decision in writing, date it and sign it as a promise to yourself.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 4

Keep a Record on the Market

Purpose	Keep an up-to-date journal on what you learn about investments and about changes in the money market.
Success Tip	Relative yields for investments change over time. Stay current in your reading of <i>The Wall Street Journal</i> to keep abreast of important trends and fluctuations.
Action	Start a journal of your own. Write in it regularly. Every month or two, make a list of what's happening in three different yields: stocks, bonds and real estate. (Remember that these numbers are composite figures and that each of these asset categories has many subcomponents which may vary widely on their numbers.)
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 5

Expand Your Knowledge

Purpose	Learn about REITs and other values in real estate.
Success Tip	Note: The following book was written in 2001, after 9/11 when the stock market had fallen by 30 or 40 percent and appeared extremely unstable.
Action	Read Gary Eldred's book <i>Value Investing in Real Estate</i> . Afterwards, write about what you learned as it might apply to you.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 6

Learn About 'Value Investing'

Purpose	Study the thinking of one of the great finance gurus of our time.
Success Tip	Value investor Warren Buffet is famous for saying that it's not the company itself that is important; it's the price you can buy the company for that counts.
Action	Read <i>The Warren Buffet Way: Investment Strategies of the World's Greatest Investor</i> , by Robert G. Hagstrom. Afterwards, write about what you learned as it might apply to your life.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 7

Understand the Principal of Depreciation

Purpose	Get a solid grasp of how depreciation works and how using the principal can make you money.
Success Tip	Some things appreciate, others depreciate. You can benefit from both if you know how the system works.
Action	Talk to a tax accountant, a CPA or do research on the Internet to understand depreciation and how you can work it to your own profit advantage. Afterwards, write about what you learned.
Self Report	Date started: Date completed: Key learning/result:

Action Step 8

Integrate What You've Learned

Purpose	Put together all you've learned in your reading and interviews about real estate.
Success Tip	Nothing is ever really understood until a person can put it in their own words.
Action	<p>Write about the following questions:</p> <ul style="list-style-type: none">• What has your reading and research taught you so far about investments?• What has it taught you about real estate?• What opposing viewpoints have you encountered?• What is your view at this stage of your learning?
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 9

Understand the Principal of Flipping

Purpose	Gain an insight into how money can be won (and lost) through flipping. ("Flipping" is buying houses, fixing them up, and attempting to sell them for a large profit.)
Success Tip	Flipping can work in a bull market or break you in a bear market. Know the local economy.
Action	Read Gary Eldred's book, <i>Make Money with Fixer-Uppers and Renovations</i> . Afterwards, write about what you learned as it might apply to you.
Self Report	Date started: Date completed: Key learning/result:

Action Step 10

Think Like a Real Estate Entrepreneur

Purpose	Learn to see properties in terms of their potential.
Success Tip	Always ask, "What might be a higher and better use for this property?" Base your assessment on your knowledge of the market in the area. What are renters or home buyers looking for?
Action	Visit some properties for sale or attend some real estate open houses (a minimum of five properties in all). Look at each property as if you were an entrepreneur. How might it be changed to improve the operation, to offer a better value, to generate more income? Write down each address, then write about your findings.
Self Report	Date started: Date completed: Key learning/result:

Action Step 11

Talk to Government Planners

Purpose	Get to know the housing needs for your region as envisioned by the government planners.
Success Tip	You can't fully know what is needed in the market — things you could potentially provide — until you know the vision of the local planners.
Action	<ol style="list-style-type: none">1. Prepare a list of questions about the community that you will ask the planner. What is the economic situation? What are the community's particular housing needs? What changes are anticipated in the area that are likely to influence real estate?2. Phone or visit the regional planners, ask your questions, and write down what you learn (talk to at least two planners because they may have differing perspectives).
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 12

Find Out What Other Investors Are Doing

Purpose	Increase your ability to think like an entrepreneur by observing what other investment entrepreneurs are up to in your area.
Success Tip	It's easier to think creatively when you see the creative things others are doing.
Action	<ol style="list-style-type: none">1. Drive around your locale in its developing communities and pay attention to what you see. How are other investors developing the neighborhoods?2. Read the local paper for ideas of other properties to visit, and visit them. Pay attention, and write about what you learn.3. How would you be developing the properties you visited if you were the property owner?4. What creative ideas did you get from your research?
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 13

Understand HUD Section 8

Purpose	Evaluate the usefulness of Section 8 to you as a potential landlord.
Success Tip	This is a housing voucher program for low-to-moderate-income families. It provides investor security because the government guarantees payment of rent.
Action	Call HUD for information on Section 8. Phone ads for apartments and houses for rent until you find at least two that accept Section 8. Introduce yourself as a potential new landlord and ask each landlord for their viewpoint on the program. Write down what you learn, followed by your assessment of Section 8 (and its value to you as a potential real estate investor).
Self Report	Date started: Date completed: Key learning/result:

Action Step 14

Visit Open Houses

Purpose	Get a sense of the quality of homes that sell in certain price brackets. Increase your knowledge of the going market value.
Success Tip	Public records will tell you what a house sold for, but you'll never know why it sold for that unless you have seen the interior.
Action	Look up ads for open houses in your local paper, or ask a real estate agent. Visit at least five homes. Look carefully at the quality of the interior. Take notes. Keep track of when the houses sell, how long they were on the market, and what they sold for. Afterwards, write about what you learned.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 15

Know the Zoning Laws

Purpose	Find out about zoning laws in your area. This information is essential before buying property and fundamentally changing it.
Success Tip	Learn the difference between R1 and R2 zoning. Learn the exceptions in R1 zoning that will accommodate a group home or an adult congregate living facility.
Action	Call up or visit your zoning department. Gather information on your local laws and study it. Call the zoning office afterwards to answer any questions this generates. Afterwards, write about what you learned.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 16

Develop “Renovation Imagination”

Purpose	Learn to think creatively about potential home improvements.
Success Tip	Watching how others have transformed real estate eyesores into beautiful and appealing properties will help you start to see the potential for change in properties you look at.
Action	Watch at least five episodes of TV “flipping” shows, such as “Flip This House.” Browse books at the library or bookstore on flipping (those with lots of before-and-after pictures). Pay attention to what was done to add value, comfort or beauty to each property. Write about what you learned.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 17

Survey Out-of-Area Real Estate Opportunities

Purpose	Familiarize yourself with two excellent Internet resources.
Success Tip	Be sure to not only research homes but also multiplex units and commercial real estate.
Action	Get a feel for what prices are like around the country. Familiarize yourself with www.loopnet.com and www.realtor.com and what these websites offer. Write about what you learned.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 18

Research a Locale for the Strength of its Real Estate Market

Purpose	Gather data to determine if a particular locale of interest to you is a sound place in which to buy real estate.
Success Tip	Today people move first and find a job second. People are moving to warm areas.
Action	<p>Investigate all the factors that determine the strength of a local real estate market. Write down your findings.</p> <ul style="list-style-type: none">• What are the current leading industries?<ul style="list-style-type: none">- Are they growth industries or dying industries?• What new industries are moving in?<ul style="list-style-type: none">- Are they growth industries or dying industries?• What is the growth plan for the area according to government planners?• How thriving and growing is the retirement community?

Action	<ul style="list-style-type: none"> • Are there mountains, oceans, bays, rivers, woods or other attractions? • Is it a place the creative class wants to move to? • Is it a place you have read about and heard people talk about?
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 19

Predict the Future of a Real Estate Market

Purpose	Make an informed prediction about the destiny of real estate investments in a given locale based on your research.
Success Tip	Real estate profits rise or decline as the economic base grows or dwindles.
Action	Thoughtfully review all the data you compiled in the preceding action step. Based on what you learned, write up your predictions for the real estate market in that region (in 2 years, 5 years, 10 years, 15 years). Afterwards, talk to knowledgeable professionals (real estate investors, brokers, etc.) and compare their predictions for the region with your own.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 20

Assess the Rental Market in Your Home Area

Purpose	Learn how to research a rental market.
Success Tip	Don't assume what property managers tell you is the truth. If they are desperate for business, they will never say so.
Action	<ol style="list-style-type: none">1. Drive through neighborhoods with sprawling apartment complexes. What kind of signs (if any) do you see on the buildings to attract new tenants?2. Do these signs (or lack thereof) indicate a rental market in growth or in decline?3. Using the newspaper or by driving around, find duplexes and rental houses with vacancies. Pay attention to how long they are on the market, and record your findings. Does their time on the market suggest a strong rental market or a soft one?
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 21

Broaden Your Knowledge of Real Estate Investment Alternatives

Purpose	Investigate alternatives to residential real estate investment.
Success Tip	Multiplex rental units, mobile home parks, office buildings, self-storage facilities, small retail centers and REITS provide options that investors often overlook.
Action	<ol style="list-style-type: none">1. Do Internet research on the above topics (a place to start might be www.investinreits.com).2. Phone up and talk with owners of various types of real estate (prepare written questions in advance).3. Read books on various niches in real estate (you may want to check out <i>Profit by Investing in Real Estate Tax Liens</i> by Larry Loftis and <i>The Complete Guide to Second Homes for Vacations, Retirement and Investment</i>, by Gary Eldred).
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 22

Expand Your Lease Knowledge

Purpose	Find out everything you need to know about leases.
Success Tip	Buying properties without reviewing and understanding the leases attached can spell disaster for an investment.
Action	<ol style="list-style-type: none">1. Read up on leases. You may want to start with the following books about leases for small commercial properties: <i>The Commercial Lease Guide Book</i>, by Thomas Mitchell and/or <i>How to Negotiate Leases for Your Small Business</i>, by Janet Portman and Fred Steingold.2. Look up "triple-net leased properties" on the Internet.
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 23

Create a Plan to Learn More About Real Estate

Purpose	Develop your knowledge of real estate in preparation for making wise investments.
Success Tip	The people who lose in real estate are those who began investing without adequate knowledge. You have to "get smart" before you can "get rich."
Action	<p>Make a commitment to specific steps you will take to learn more about investing in real estate. Establish concrete actions and timelines, then sign and date what you wrote down as a promise to yourself. Are there books you want to read, classes you wish to attend?</p> <p>One source of reliable real estate information and advice is courses available through Trump University at www.trumpuniversity.com. Expand your real estate knowledge with the book <i>Trump University Real Estate 101</i>, by Gary Eldred and Donald Trump.</p>
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Action Step 24

Sum Up What You've Learned

Purpose	Integrate what you've studied so far with your previous knowledge to make the new information accessible mentally and practical personally.
Success Tip	The best way to know how much you've learned is to try to say it in your own words.
Action	Write out several paragraphs summarizing what you learned from these three CDs and action steps. At this point, what do you think about the value and viability of investing in real estate for yourself?
Self Report	<p>Date started:</p> <p>Date completed:</p> <p>Key learning/result:</p>

Gary Eldred

Has More to Teach You

If you've learned from this presentation on the *Wealth Builder's Action Plan*, you can find more great tools and advice at:

GaryEldred.com/trumpu

For further resources on **Real Estate Wealth** – check out the special interest section at Trump University for users of *The Wealth Builder's Action Plan*:

TrumpUniversity.com/wealthplan

Credits

The Wealth Builder's Action Plan

Concept	James Burgin, Jon Ward
Executive Producer	James Burgin
Program Host / Interviewer	Jon Ward
Production Management	Daniel Braha
Graphic Design	Mingoo Kang, Daniel Braha
Instructional Writing	Jessi Hoffman
Editing / Logistics	Renee Sieradski, Pauline Abel
Audio Design	Craig Quist
Donald Trump Photography	Mark Burgin
Theme Music	John Costello III
Educational Consultant	Dr. Stephanie Burns
Trump University Coordinator	Kevin Mallon

Designed and produced by Brandwithin Inc, Phoenix Arizona.
Brandwithin.com
